

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15
STR-04 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01
/111 W

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P R 230956Z FEB 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 0875

INFO USMISSION GENEVA

AMEMBASSY PARIS

AMEMBASSY BONN

USMISSION EC BRUSSELS

USDEL MTN GENEVA

UNCLAS LONDON 03043

E.O.11652: N/A

TAGS: ETRD, EEC, UK, EPAP

SUBJECT: TEXTILES: MFA RENEWAL

REF: (A) LONDON 2297; (B) LONDON 2635

1. RESPONDING TO QUESTIONS IN THE HOUSE OF COMMONS ON FEBRUARY 21, MICHAEL MEACHER, UNDERSECRETARY FOR TRADE, SAID UK WILL SEEK COMPLETE PROTECTION IN THE MFA RENEGOTIATIONS FOR SECTIONS OF ITS TEXTILE INDUSTRY HARDEST HIT BY LOW-COST IMPORTS. HE STATED HE WAS CONVINCED A "SUITABLY STRENGTHENED" MFA WOULD PROVIDE BEST HOPE OF RECONCILING LEGITIMATE INTERESTS OF IMPORTING AND EXPORTING COUNTRIES. UK'S "FIRST AND MAJOR OBJECTIVE," ACCORDING TO MEACHER, IS TO SECURE MODIFICATION OF THE MFA TO PROTECT UK PRODUCERS AGAINST CUMULATIVE DISRUPTION, I.E., INDIVIDUALLY SMALL INCREASES IN IMPORTS FROM A LARGE NUMBER OF COUNTRIES. THIS NEW SAFEGUARD WOULD ALLOW THE

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INTRODUCTION OF A SINGLE QUOTA TO DEAL WITH ALL DISRUPTIVE OR POTENTIALLY DISRUPTIVE IMPORTS OF A SENSITIVE PRODUCT WHERE IMPORT PENETRATIONS ARE VERY HIGH.

2. THE UK'S SECOND OBJECTIVE, MEACHER SAID, IS TO CHANGE MFA RULES SO THAT GROWTH RATES CAN BE ADJUSTED DOWNWARDS TO TAKE ACCOUNT OF THE CIRCUMSTANCES AND PROSPECTS OF THE

DOMESTIC INDUSTRY. HE INDICATED THAT A PROPOSAL TO LINK THIS SCALE TO THE LEVEL OF DOMESTIC PRODUCTION AS WELL AS IMPORT PENETRATION IS ALSO BEING CONSIDERED. HE POINTED OUT, HOWEVER, THAT IT WAS THE EC AND NOT THE UK WHICH WAS THE SIGNATORY OF THE MFA AND THAT THE GOVERNMENT'S FIRST TASK IS TO AGREE ON A COMMON LINE WITH ITS COMMUNITY PARTNERS. HE SAID THE GOVERNMENT WOULD CONTINUE TO PRESS VIGOROUSLY FOR BETTER SAFEGUARDS AND FLEXIBLE GROWTH RATES. FINALLY, MEACHER ADDED THAT THE GOVERNMENT WAS DETERMINED TO SECURE INTERNATIONAL AGREEMENTS FOR TEXTILES WHICH PROVIDE ADEQUATE PROTECTION AGAINST DISRUPTIVE LOW-COST IMPORTS SO THAT THOSE EMPLOYED IN THIS INDUSTRY CAN FEEL SECURE IN THEIR JOBS AND MANAGEMENT CAN REGAIN SUFFICIENT CONFIDENCE TO INVEST FOR THE FUTURE.

3. DURING THE QUESTION PERIOD, CONSERVATIVE PARTY SHADOW TRADE SECRETARY JOHN NOTT CALLED FOR A MORE EFFECTIVE ANTIDUMPING POLICY AND GAVE A BLUNT WARNING TO THE EC THAT THE NEXT CONSERVATIVE GOVERNMENT WOULD NOT STAND "IDLY BY" IF THE EC COMMISSION FAILED TO ACT IN A DETERMINED AND SPEEDY WAY. IN A STATEMENT ISSUED BEFORE THE COMMONS DEBATE, NOTT OUTLINED FIVE MAJOR OBJECTIVES WHICH THE CONSERVATIVES WOULD SUPPORT IN THE MFA NEGOTIATIONS. THESE ARE (1) A LONGER PERIOD DURING WHICH THE AGREEMENT SHOULD OPERATE INSTEAD OF THE PRESENT THREE YEARS; (2) A FLEXIBILITY CLAUSE TO TAKE INTO ACCOUNT CHANGES IN ECONOMIC CONDITIONS DURING THE LIFE OF THE AGREEMENT; (3) A LONGER BASE PERIOD OF PERHAPS TWO TO THREE YEARS ON WHICH THE SIZE OF QUOTAS SHOULD BE DETERMINED; (4) GREATER

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EQUALITY OF BURDEN-SHARING AMONG THE EEC MEMBERS; AND (5) GLOBAL LIMITS COVERING THE TOTAL AMOUNT OF TEXTILE WHICH WOULD BE ALLOWED TO ENTER THE EEC MARKET.

ARMSTRONG

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, NEGOTIATIONS, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770062-0598
Format: TEL
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770218/aaaaapud.tel
Line Count: 102
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 053161c0-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 LONDON 2297, 77 LONDON 2635
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3254662
Secure: OPEN
Status: NATIVE
Subject: TEXTILES: MFA RENEWAL
TAGS: ETRD, EPAP, UK, EEC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/053161c0-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009